



## Competition in metering and related services – rule change

### Extension of time for draft rule determination

**On 20 November 2014, the AEMC extended the period of time for publication of the draft rule determination on COAG Energy Council's rule change request to introduce a new framework to expand competition in metering and related services.**

**The extension is necessary because of complex issues around the details of how a competitive framework for metering can be implemented. The AEMC has therefore extended the period of time for publication of the draft rule determination to 26 March 2015.**

The AEMC also today published a separate information sheet on the proposed implementation timetable for the rule change and related work by AEMO and the AER.

### Proposed arrangements for basic and advanced metering services

The rule change request proposes to amend the National Electricity Rules and the National Energy Retail Rules to establish a competitive regime to enable the widespread investment in advanced metering infrastructure and the new consumer services advanced meters can provide. The AEMC has gained valuable stakeholder feedback through a series of stakeholder workshops and has made substantial progress in finalising the proposed new arrangements for the provision of basic and advanced metering services.

The first three stakeholder workshops explored options for the new arrangements at a high level, after which most of the major policy issues were finalised. The proposed new model for the provision of metering services was presented at the fourth workshop and is illustrated in the Attachment. Further information on the proposed roles and responsibilities under the new arrangements can be found in the detailed presentation for Stakeholder Workshop 4 on the AEMC's webpage for this rule change.

More detailed proposals were also presented at the final two workshops, during which a number of issues were raised that the AEMC consider warrant further attention. These issues are described in further detail in the table below and include:

- whether there is a need for light handed regulation of access to metering coordinator services;
- remote provision of disconnection and reconnection services;
- network security issues due to direct load control;
- opt out provisions for consumers;
- timeframes and requirements for implementation; and
- the Minimum Services Specification.

The AEMC will also need to consider AEMO's interdependent advice on the minimum services specification for advanced meters which it will be providing to the COAG Energy Council in November. Before a draft rule can be finalised, the AEMC will need to consider how AEMO's advice on a minimum services specification should be implemented in the Rules and what the ongoing governance arrangements to maintain the minimum service specification should be. Other areas of the rule change are also dependent on finalising the minimum services specification and its implementation and governance arrangements.

A series of stakeholder workshops have contributed to the proposed new model for competition in metering and related services

## Stakeholder workshops – issues arising

Date	Stakeholder Workshops	Major Outcomes
26 June 2014	<p><i>Stakeholder Workshop 1: Independent Metering Coordinator and gate keeper role</i></p> <ul style="list-style-type: none"> <li>• Proposal for independent Metering Coordinator</li> <li>• Gate keeper functions</li> <li>• Registration, accreditation and compliance obligations</li> </ul>	<p>Most major policy issues were progressed and rule drafting has now commenced.</p>
1 Aug 2014	<p><i>Stakeholder Workshop 2: Network regulatory arrangements</i></p> <ul style="list-style-type: none"> <li>• Cost recovery for regulated meters</li> <li>• Deployment of advanced meters as part of a regulated demand side participation program</li> <li>• Ring-fencing arrangements</li> <li>• Maintaining existing load management capability</li> </ul>	<p>Most major policy issues were progressed and rule drafting has now commenced.</p>
28 Aug 2014	<p><i>Stakeholder Workshop 3: Relationships between the parties</i></p> <ul style="list-style-type: none"> <li>• Metering Coordinator – Retailer, DNSP and ESSCO relationship</li> <li>• The potential need for light handed regulation</li> </ul>	<p>Most major policy issues were progressed and rule drafting has now commenced.</p>
24 Sep 2014	<p><i>Stakeholder Workshop 4: Proposed model arrangements</i></p> <ul style="list-style-type: none"> <li>• Roles and responsibilities of relevant parties</li> <li>• Consumer issues (including engaging their own Metering Coordinator)</li> <li>• Network regulatory issues including ring-fencing arrangements</li> <li>• Metering Coordinator and its relationship to other parties – is light handed regulation required?</li> </ul>	<p>Most major policy issues were progressed and rule drafting has now commenced.</p> <p>Further analysis of the following detailed issues is being undertaken based on feedback at the workshop:</p> <ul style="list-style-type: none"> <li>• the need for light-handed regulation</li> <li>• remote provision of disconnection and reconnection services</li> <li>• network security issues due to direct load control</li> </ul>
9 Oct 2014	<p><i>Stakeholder Workshop 5:</i></p> <ul style="list-style-type: none"> <li>• Minimum Services Specification</li> <li>• Jurisdictional arrangements</li> <li>• Transitional arrangements for Victoria</li> <li>• Timeframes and requirements for implementation</li> </ul>	<p>Further analysis of the following detailed issues is being undertaken based on feedback at the workshop:</p> <ul style="list-style-type: none"> <li>• Minimum Service Specification</li> <li>• opt out provisions for consumers</li> <li>• Timeframes and requirements for implementation</li> </ul>

An additional stakeholder workshop will be held in January 2015 to consult with stakeholders on the Commission's proposed policy position on the policy issues that have required further analysis that are noted in the table above, including issues related to governance and implementation the Minimum Services Specification.

The AEMC's draft determination and draft rules will be published by 26 March 2015

### Revised timetable

The AEMC will continue to progress and finalise the additional issues that have arisen through the stakeholder consultation process and will be working to the revised timetable below.

Milestone	Original timetable	Extended timetable
Consultation paper	17 April 2014	
Series of five stakeholder workshops	June 2014 – Oct 2014	
Stakeholder workshop 6	N/A	January 2015
Publication of draft rule determination	18 December 2014	26 March 2015
Public forum and workshop	January 2015	April 2015
Close of second round submissions	26 February 2015	21 May 2015
Publication of final rule determination	9 April 2015	2 July 2015
Completion of AER ring-fencing guideline and AEMO procedure and system changes	November 2016	November 2016

Also published today is an information note seeking stakeholder comments on the time required for businesses to make system and business process changes, which will inform our decision on the commencement date for the new rules.

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# Proposed model arrangements: basic and advanced services

